

Message Text

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11

ACTION NEA-12

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FM AMCONSUL ISTANBUL

TO AMEMBASSY ANKARA

INFO SECSTATE WASHDC 4602

AMCONSUL ADANA

AMCONSUL IZMIR

LIMITED OFFICIAL USE ISTANBUL 3328

E.O. 11652: N/A

TAGS: PINT, TU

SUBJECT: ISTANBUL BUSINESS COMMUNITY FORESEES JUSTICE PARTY
ELECTION VICTORY

SUMMARY: BULENT YAZICI, ONE OF MOST INFLUENTIAL BUSINESS
LEADERS IN ISTANBUL, SAYS BUSINESS COMMUNITY HERE EXPECTS
JUSTICE PARTY (JP) TO WIN MAJORITY IN UPCOMING ELECTIONS
AND ARE PUTTING THEIR MONEY WHERE THEIR MOUTH IS BY CON-
TINUING HIGH LEVEL INVESTMENT PLANNING AND SPENDING. HE
SAID REPORTS OF GREATLY INCREASED RPP STRENGTH REFLECT URBAN
BIAS OF NEWSPAPERS AND OTHER OPINION MOLDERS AND UNDER-
ESTIMATE TRADITIONAL JP BASE IN ANATOLIAN VILLAGES. END
SUMMARY

1. YAZICI IS CHAIRMAN OF AKBANK (OWNED BY WEALTHY SABANCI
FAMILY OF ADANA) AND ONE OF BEST INFORMED AND INFLUENTIAL
BUSINESS LEADERS IN ISTANBUL. HE TOLD CONGEN OFF IN RECENT
CONVERSATION THAT TURKISH PRIVATE BUSINESSMEN EXPECTED JP
TO WIN MAJORITY IN UPCOMING ELECTION. IN SUPPORT OF THIS
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VIEW HE NOTED THAT ALTHOUGH ONE WOULD EXPECT INVESTMENT TO

DROP OFF IN PERIOD IMMEDIATELY PRECEDING ELECTION THIS WAS NOT HAPPENING. IN FACT, NEW INVESTMENT AND PLANS TO EXPAND CURRENT CAPACITY HAD NOT SLACKED OFF AT ALL. THIS PARTIALLY DUE TO RELATIVELY HIGH RATE OF INFLATION AND EXPECTATION THAT THIS WOULD CONTINUE, HENCE QTE FLIGHT FROM MONEY TO GOODS UNQTE. BUT MORE IMPORTANTLY IT REFLECTED PREPONDERANT VIEW IN TURK BUSINESS COMMUNITY THAT DEMIREL AND JP WERE GOING TO WIN MAJORITY (HE SAID 250 SEATS WAS NUMBER MOST OFTEN MENTIONED). THUS ECONOMIC POLICY AND PROGRAMS OF TALU GOVT, WHICH HEAVILY INFLUENCED BY JP AND WHICH MUCH MORE FAVORABLE TO PRIVATE SECTOR THAN OTHER GOVTS SINCE MARCH 1971, WOULD BE CONTINUED. HE ADDED THAT HIS BANK, WHICH ALREADY SIGNIFICANT INDUSTRIAL INVESTOR, WAS MOVING AHEAD WITH IMPORTANT NEW INVESTMENTS. EVEN IF VIEW OF BUSINESSMEN WAS RESULT WISHFUL THINKING AND JP DID NOT OBTAIN OUTRIGHT MAJORITY, IN HIS OPINION NEXT GOVT VERY LIKELY TO CLOSELY RESEMBLE MAKEUP OF PRESENT GOVT WITH JP AS PRINCIPAL INFLUENCE.

2. IN COMMENTING ON PROSPECTS OF OTHER PARTIES, HE NOTED THAT HISTORICAL EXPERIENCE IN TURKEY WAS THAT SPLINTER PARTIES EITHER DIED AT NEXT ELECTION OR RECEIVED ONLY SMALL NUMBER OF SEATS. HE THEREFORE EXPECTED DP TO DO VERY POORLY AND NEWLY FORMED RR WOULD WIN ABOUT SAME NUMBER OF SEATS AS OLD GUVEN PARTISI, I.E. 12 TO 13. REGARDING NATIONAL SALVATION PARTY, HE THOUGHT IT WOULD MAKE SOME INROADS INTO TRADITIONAL JP CONSTITUENCY BUT BALANCING FACTOR WAS DESIRE OF AVERAGE VOTER TO MAKE HIS VOTE COUNT AND THUS PROPENSITY TO VOTE FOR ONE OF TWO MAJOR PARTIES. HE SAID HE HAD HEARD NO PREDICTIONS RPP WOULD WIN MAJORITY NOR THAT IT WOULD BE IN POSITION TO FORM GOVT FOLLOWING ELECTIONS. YAZICI ATTRIBUTED RECENT MORE FAVORABLE PROGNOSIS FOR RPP AS VIEW OF NEWSPAPERS AND OTHER ELEMENTS WHICH REFLECTED ONLY URBAN VIEW WHEREAS ELECTION WAS GOING TO BE DECIDED IN VILLAGES AND NO ONE KNEW HOW VILLAGER WAS GOING TO VOTE. HE NOTED THAT RECENT MILLIYET NEWSPAER POLL HAD INCLUDED VIEWS OF ALL SEGMENTS OF SOCIETY EXCEPT VILLAGER WHO BECASUE OF HIS TRADITIONAL SUSPICIOUSNESS CERTAINLY WAS NOT GOING TO TELL STRANGERS (PARTICULARLY EDUCATED URBAN ONES) HOW HE WOULD VOTE.

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3. YAZICI ALSO OPINED THAT ISSUE OF INFLATION WOULD BE LESS IMPORTATNT IN RURAL AREAS. HE SAID RECENT RECORD PRICE LEVEL FOR COMMODITIES HAD PUMPED CONSIDERABLE PURCHASING POWER INTO COUNTRYSIDE. ALSO MOST OF PURCHASING POWER GENERATED BY WORKERS REMITTANCES HAD GONE INTO POCKETS OF POORER RURAL FAMILIES. ON OTHER HAND IT HIS IMPRESSION THAT INFLATION LESS SEVERE THAN IN CITIES AND SENSE OF

ECONOMIC THREAT THEREFORE LESS PRONOUNCED.

4. COMMENT: YAZICI'S COMMENT THAT RECENT NEWSPAPER POLLS
PREDICTING MAJOR GAINS FOR RPP REFLECT DEFINITE URBAN BIAS
IS VIEW SHARED BY OTHER MJSERVERS HERE (REPORTED SEPTTEL).
WHETHER BUSINESS COMMUNITY IS RIGHT IN ASSUMING JP VICTORY
MAY BE LESS IMPORTANT IN LONG RUN THAN FACT THEY ACTING
ON THEIR ASSUMPTIONS BY CONTINUING HIGH LEVEL INVESTMENT.
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